

# EXHIBIT J

Do Kwon Twitter Thread, November 16, 2022.

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**Do Kwon**

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1/ A third party audit of LFG and TFL's peg defense activity during May 2022 has been published:

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1/ Today, LFG releases the technical audit report conducted by JS Held, an experienced third-party auditing firm, providing full transparency into the trading, blockchain records, and efforts of LFG and TFL to defend the price of TerraUSD (\$UST) between May 8th & May 12th, 2022.

4:08 AM · Nov 16, 2022

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2/ Before we get into the audit,

Many of you lost a lot of money in UST - for this I am sorry. While the system was transparent and open source, I as its creator should have understood and communicated its risks better.

3/ I believed that the most important use case of crypto is to become decentralized money that transcends politics and nation states.

I still believe this today (what is DeFi with centralized money?) - and I hope others succeed in this mission where we have failed.



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4/ UST was my life's work - this combined with seeing it gain more lindy effects and holders every day and eventually become one of the largest cryptos by market cap blinded me to its potential risks and focused me on what seemed like its inevitable rise.

5/ There are rumors of certain currently beleaguered agents "causing" the UST depeg - on this, while I hope more facts come out over the next few months, ultimately it doesn't matter.

The decentralized money of the future should be able to withstand all possible attacks.

6/ While I was wrong (and terribly so), I maintain there was no fraud.

TFL donated what was then >\$3B to establish [@LFG\\_org](#) to diversify UST's collateral backing, and focused our investments to grow Terra's ecosystem.

We wouldn't have done this if we thought UST were to fail.

7/ The audit report published by JS Held today addresses many of the allegations around the use of LFG's funds, primarily:

- Were there any misuse of funds? (embezzlement, insider benefit etc)
- Did LFG have any other funds not publicly disclosed? And were those funds frozen?



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8/ The audit concluded that:

LFG spent \$2.8B (80,081 \$BTC and 49.8M in stablecoins) to defend \$UST's peg, consistent with LFG's tweets on May 16th, 2022

Additionally, TFL went above and beyond and spent \$613M of its own capital to defend the \$UST peg

9/ The report shows that all LFG funds were spent to defend \$UST's peg parity with the Dollar as declared, and that LFG's remaining balances are the only funds remaining.

11/ So why does this even matter?

It is natural to suspect fraud when something goes wrong, but if we sweep all failures in crypto as scams and say, "there are some bad apples but everything else is fine", then we never have opportunities to learn from our mistakes.

12/ Terra was not a centralized platform gone bust through misuse of funds or fraud - it was one of the largest layer 1 blockchains, with two native assets in the CMC top 10.

How to prevent other failures like it will take more than anger and sweeping bans of similar protocols.



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13/ For those of you whose minds I have not been able to change, I accept your judgement.

I continue to think about learnings in #12 and apply it to the systems I work on. Hopefully we can find ways to understand each other at some point.

. . .

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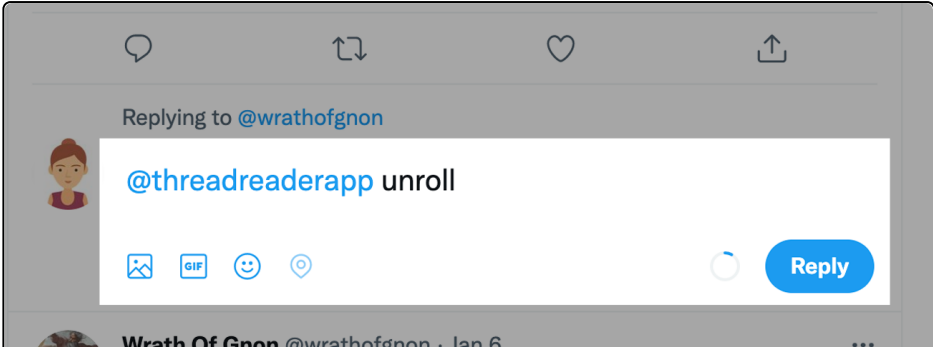
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